

## Jim Spanfeller 11/9 Memo to Staff

I reach out today to give background information about our industry, our company and specific actions that we are making today as a result of the current climate.

It will come as no surprise to anyone when I say that these are trying times in general and even more so in our specific industry (certainly postings on our media Slack channel have well chronicled these times). This is frustrating on many levels, in part due to some of the macroeconomic news that has been trickling out over the last month or so. The US economy is expanding but the usual increase in marketing dollars that goes along with these types of numbers have not materialized. While G/O Media is a lean, nimble organization, we are not immune to the economic headwinds rattling our business. Most recently, high interest rates and global crises have made advertisers more cautious about spending, though the chills certainly predated both.

As a company we have been doing a good many things to address the issues caused by all of this. We have been implementing a steady re-structure of our business-side operations for the past several quarters. Reducing the size of some departments in meaningful ways while rethinking how we support our company and bring our offerings to market. As is always the case in these situations this work is hard and, in many places, painful. We will continue to look for ways to better optimize our operations in these areas but for now I can confidently report that we have made very substantial progress in a very difficult environment. While we are not enjoying robust financial success currently, we are also not facing as dire a picture as many of our digital media brethren.

That said, we have work left to do with our editorial operations. This work will require some reductions and reallocations in staff in some areas and in others might necessitate a more meaningful change in how we work on a

day-to-day basis. Market change means that we need to rethink, reengineer and, at times, re-create how we work and what we work at. I'm proud to say that G/O Media's portfolio sites enjoy some of the strongest brand recognition in digital media, which is why we have steadfastly resisted restructuring until now. We respect what our sites have built and the voices that have built them. But the entire media ecosystem has evolved even in the few short years since G/O Media opened its doors. Our editorial operations must evolve with it to succeed.

In the beginning digital content was very derivative of linear executions. Over time this has, of course, continued to change. At this point it is fairly clear that what wins the day has little to do with what was the standard in the late 90's, early aughts or even the early 2020s. Social media has come and, in some instances relative to what we do on a day-to-day basis, has gone. Aggregation has morphed several times and search has and is at this very moment changing in meaningful ways. Most of which are not fully transparent yet.

All this demands that we continue to explore and experiment with new and better ways of serving our most important constituency, our daily site visitors. This is no easy task and while we have very deep insights (daily log data) on how we are doing, the path forward is anything but clear.

The best we can hope to do here is to try new things in new ways with as much forethought as possible and to be as willing to accept when we miss the mark as we are to celebrate when we hit it.

So, what does all this mean at this specific moment? We will begin by restructuring a good number of our teams (eliminating some positions while adding some others), rethinking our editorial management structure and making a very painful change to our portfolio. All these initial changes have been conceived with a tremendous amount of forethought and research. And as is always the case in fast moving environments, continued change

is to be expected as we learn from our initial efforts and take to heart our wins as well as our misses.

To provide more insight on our current moves, let me take these in reverse order and by general top line arena.

## **Portfolio Changes**

As I am sure we all know by now, we continually review our portfolio of properties. We have added to our properties (Quartz) and we have divested (Lifehacker). There are many considerations involved with these actions and none are ever taken lightly or without a great amount of work and research. Among the many variables that factor into these decisions, none are more important than what makes sense for our audiences and the overall health of our business. This latest move here is no exception.

As of this week we are making the very, very difficult decision to suspend publication of Jezebel. Few decisions over the course of my career have been as excruciating, and I want to make clear this is in NO WAY a reflection on the Jezebel editorial team. They have had many successes over the past year or so and continue to do great work in difficult times. To an individual the Jezebel team has worked to meet and exceed their audience's needs and wants in an incredibly important time for the core topics of the site. Their urgent, breakthrough coverage of reproductive rights in this post-Roe era, as well as other key issues core to modern women, affirmed the brand's storied legacy as the website that changed women's media forever.

Unfortunately, our business model and the audiences we serve across our network did not align with Jezebel's. And when that became clear, we undertook an expansive search for a new, perhaps better home that might ensure Jezebel a path forward. It became a personal mission of Lea Goldman, who worked tirelessly on the project, talking with over two dozen

potential buyers. It is a testament to Jezebel's heritage and bonafides that so many players engaged us. Still, despite every effort, we could not find Jez a new home.

I haven't given up on Jezebel. Media is nothing if not resilient. So are its practitioners. I will keep you apprised if circumstances change. With the suspension of Jezebel's operations, we must unfortunately part ways with their incredibly talented editorial staff. I want to thank the site's team, both past and present, for their dedication, fearless voices, and indelible contributions to our culture. You changed the game.

### **Sr. Editorial Organizational Structure**

As part of our restructuring efforts, we will also be making changes to our editorial management structure. Our goal is to push more responsibility, and along with that, a bit more accountability down to the EICs and their teams. We want to be nimbler in how we address the many opportunities that we have to serve our daily, weekly and monthly visitors and we want more focus on the KPIs that give us a sense of how we are doing on a site-by-site basis with our core consumers. Some of this involves a flattening of our organization.

As a part of these efforts the plan is to have the EIC's report into an office of editorial oversight. We will be sharing more details about this unit in the coming days. Merrill Brown has left the company and I would like to take this moment to thank him for his past contributions while wishing him much success in his future endeavors.

### **Restructuring**

We have been operating over the last few quarters with an eye towards efficiency and being budget conscious. I had been hoping that by doing so we could see our way through these dark times in our

industry. And indeed, we held out far longer than most. But we can hold out no longer. In addition to the work we have done on the business side, G/O Media will be restructuring our editorial teams so that we can more nimbly pursue audience development opportunities. This process will result in the departure of 23 editorial staffers (including the Jezebel team) in the short term. Over the longer term we will be adding new positions with updated or perhaps new goals in mind.

Our editorial leadership has never been shy with staff about where we see room for improvement: we must be faster, sharper, and fresher in order to compete. Plain and simple. Look for more resources for breaking news, which will be informed on a site-by-site basis. We'll be more rigorous about output and which categories we cover. Audience first from here on out.

Having colleagues depart the company is never an easy moment, but on a longer term horizon we hope to finish our efforts here over the next few quarters with more not less total editorial headcount. But headcount structured in different ways with different missions and goals.

Of course any action that results in someone losing their position is never taken lightly. These are always difficult moves to make. But given the changes in our industry and in how our visitors consume our content, change is badly needed.

Just about every company in our space has found themselves in similar circumstances. We have held out far longer than most and we have done so because we wanted to understand as best we could the core issues facing our industry and develop some initial thinking on how we might address these. Many of these changes have begun to be initiated in our daily process. Faster production around stories addressing breaking events, more editor direction of topics and specific articles. Direction

informed by what we see on a property-by-property basis as enjoying the most consumer engagement.

My hope is that our restructured newsrooms will see immediate results and, as I mentioned above, necessitate more hiring in the months ahead. In fact, I'm betting on it. Of course, we will consider any of our displaced colleagues for appropriate open positions.

In conclusion I want to assure all that we remain committed to being a leader in the digital media space. There has never been a more urgent need for authoritative, credible news, reviews and commentary. Audiences demand and deserve it. And we intend to deliver.

We will be scheduling an editorial All Hands in the near future to discuss in more detail many of the points outlined in this memo.